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Council/Agency Meeting Held: _____		City Clerk's Signature
Deferred/Continued to: _____		
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied		
Council Meeting Date: 1/3/2006	Department ID Number: ED 05-37	

## CITY OF HUNTINGTON BEACH REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**SUBMITTED BY:** PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

**PREPARED BY:** STANLEY SMALEWITZ, DIRECTOR OF ECONOMIC DEVELOPMENT

**SUBJECT:** Approve Original Tenant's "Right to Sell" at Ocean View Estates

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

**Statement of Issue:** Nine of the 44 mobile home owners at Ocean View Estates (OVE) are the original OVE tenants that have life estate status, and do not have the "right to sell" their mobile home. The resident in Space 17 is one of the life estate tenants and is requesting to have the "right to sell" her mobile home thereby relinquishing her life estate status. City Council needs to approve this request.

**Funding Source:** Not applicable.

**Recommended Action:** Motion to:

1. Approve the resident's request to relinquish life estate status and establish her "right to sell" status at Ocean View Estates, Space 17.

**Alternative Action(s):** Motion to:

1. Do not approve the resident's request and advise her of City Council's decision.

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## REQUEST FOR ACTION

MEETING DATE: 1/3/2006

DEPARTMENT ID NUMBER:ED 05-37

### Analysis:

Ocean View Estates (OVE) Mobile home Park, located at 7051 Ellis Avenue, is a City-owned mobile home park comprised of approximately 9.3 acres, having forty-four mobile home spaces that are rented with various lease or rental agreements. The mobile home park was established in 1986 as a temporary use to accommodate residents from three other mobile home parks in Huntington Beach: Huntington Shores (residents with "life estates"), Pacific Trailer Park and Driftwood Beach Club (relocations due to the Waterfront project). Ocean View Estates is scheduled to close on March 31, 2019.

The resident at Space 17 is one of the nine remaining mobile home owners with the 1986 life estate status agreement that does not allow the homeowner to sell their mobile home. All thirty-five other OVE owners have the "right to sell" their mobile home on the open market. Through the attached petition (Attachment 2), the resident requests the approval of her "right to sell" her mobile home, thereby relinquishing her life estate status. By keeping the life estate status and not allowing her to sell, the resident will have the right to stay at Ocean View Estates beyond the park closure date of March 31, 2019. Staff recommends the approval of the "right to sell" status so that the mobile home may be sold to a new homeowner who would enter into a market rate rental agreement that requires the acknowledgement of the park closure date.

A City Council resolution will be considered in 2006, that will allow the remaining eight life estate status mobile home owners the option to relinquish their life estate status if they want to sell their mobile home on the open market. If they so choose, then they will enter into a new agreement while maintaining their current rent amount. The seller must disclose that the park is scheduled to close as of March 31, 2019. New tenants will be required to enter into a new market rate rental agreement that is currently \$200 per month higher in space rent.

**Environmental Status:** Not applicable.

### Attachment(s):

City Clerk's Page Number	No.	Description
3 16	1.	Ocean View Estates Rental Agreement with "Life Estate" status
	2.	The Resident's Petition to Sell the Mobile Home

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"LIFE ESTATES" RENTAL AGREEMENT

# ATTACHMENT #1

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RENTAL AGREEMENT  
BETWEEN THE CITY OF HUNTINGTON BEACH  
AND LESSEE FOR SPACE IN  
OCEAN VIEW ESTATES

1. PARTIES: This Rental Agreement is made and executed this  
 2nd day of June, 1986, by and between the City  
 of Huntington Beach (hereinafter called Lessor), and  
 Helen Morton Smith, Elma Fay and Robert C. Morton  
 (hereinafter called Lessee).

2. DEMISED PREMISES: Lessor hereby leases to Lessee, and  
 Lessee hereby rents from Lessor, that certain Lot known as Space  
 No 17 situated in Ocean View Estates located  
 at 7051 Ellis Avenue, Huntington Beach, California 92648.

3. TERM: The term of this Rental Agreement shall be for the  
 life of named Lessees, or for the life of the last surviving named  
 Lessee set forth herein, and shall end upon the death or vacation  
 of the premises by the last surviving named Lessee.

4. RENT: Lessee agrees to pay Lessor rent for the demised  
 premises, without deduction, according to the following Rent  
 Schedule:

<u>YEAR</u>	<u>RENT</u>
1	\$160 per month
2	175
3	190
4	205
5	220
6	235

7, and thereafter, a minimum increase of 7% per  
 year, or that percentage for the previous year as set forth by the  
 Long Beach-Anaheim CPI (or whichever such indicator is commonly in  
 use at the time), whichever is greater, said percentage increase  
 to be calculated on the previous year's base rental amount.

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Said rent shall be payable monthly in advance, on the first day of each month, plus all other sums, if any, payable hereunder, which additional charges shall be payable within 30 days after Lessor renders statements of account therefore. All monies payable hereunder shall be paid by check or money order at the office of the City Treasurer. Under certain circumstances, Lessor may require that payment be made in cash, in which case the Lessee will be notified, and all other requirements for paying rent and other charges will remain the same. Rent may be adjusted by management at the beginning of each anniversary year and upon Sixty (60) days notice. Failure to pay new rental amount when due shall terminate tenancy.

If the rent is not paid by the 10th day of any calendar month, a late charge of \$20.00 will be charged to cover Management's costs for additional accounting and collection expenses. Additionally, a handling charge of \$10.00 will be required for all checks returned by the bank due to insufficient funds in the Lessee's account or for any other reason. The above amounts shall increase yearly, based upon the yearly percentage rent increase set forth hereinabove. This provision shall not be construed as a waiver by Management of its right to enforce any provision hereof after any default on the part of a Lessee.

Furthermore, the acceptance of payments shall not constitute a waiver of any breach of any rule, regulation or any covenant of the Rental Agreement, nor shall it reinstate, continue or extend the term of the party's Rental Agreement or affect any notice, demand or suit hereunder.

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5. SECURITY DEPOSIT Lessee has concurrently deposited with Lessor \$ NONE (hereinafter called "Deposit"), receipt of which is acknowledged by Lessor, as security for the full and faithful performance of each term, covenant and condition of this Rental Agreement, including without limitation, the payment of rent, repair or damages to premises, and surrender of the premises in clean condition. Lessee further agrees that if the payment of any rent in default or for any other sum for which Lessor may spend or be required to spend by reason of Lessee's default pursuant to the provisions of Section 1950.5 of the California Civil Code.

Should Lessor be required to so use or apply the Deposit upon Lessee's default, Lessee shall, on the written demand of Lessor, forthwith remit to Lessor a sufficient amount in cash to restore the Deposit to its original amount, and Lessee's failure to do so within thirty (30) days after receipt of such demand shall constitute a breach of this Rental Agreement. Should Lessee comply with all of the terms, covenants and conditions of this Rental Agreement, including the payment of rent as due, the Deposit or any balance thereof shall be returned to Lessee, without interest, at the end of the term of this Rental Agreement, or upon the earlier termination of this Rental Agreement without Lessee's default. In the event Lessor sells the leased premises, Lessor shall deliver the Deposit to its successor in interest, and shall be discharged from further liability with respect to the Deposit upon notice to the Lessee by registered mail of such transfer and the transferee's name and address.

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6. **STORAGE LIEN:** Lessee hereby agrees that the mobilehome will not be removed until all rent and other charges have been paid and that for unpaid rental and charges, Lessor has a lien on the mobilehome placed on Space No. 17. The lien rights granted Lessor include, but are not limited to, those granted by Section 1174 of the California Code of Civil Procedure and Sections 1980-1991 of the California Civil Code.

7. **PERMISSIBLE USE OF LOT:** The lot shall be used for a mobilehome, approved by Lessor, to be used as a residence only for the person or persons named in this Agreement as Lessee(s) and for no other persons.

8. **MANAGEMENT OF PARK:** Lessor shall be represented on the premises by its Park Manager vested with all the legal right and authority to enforce the Rules and Regulations on behalf of Lessor. His or her decision shall be final and binding upon Lessee.

9. **LOT MAINTENANCE:**

(A) In order to protect our mutual investment, Lessees are required to maintain their Lot and mobilehome in a clean, attractive and well kept fashion. Lessees may have storage cabinets to store furniture, trash cans, etc. If a Lessee has an item that cannot be adequately stored in the storage cabinet, it must be removed from the Park. Additionally, Lessees are expressly prohibited from storing anything, other than wheels and hitches, under the mobilehome.

(B) Management may enter the rented premises for the purpose of inspecting same and to do any work in connection with maintenance and repair of the Lot and the cost of such maintenance

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or repairs occasioned by neglect or misuse of the Lot shall be paid by the Lessee.

10. LANDSCAPING:

(A) All Lessees are required to landscape their Lot in clean, attractive and well kept fashion. Lessor encourages all residents to be as original and elaborate as they wish as far as lawn, flowers and shrubs are concerned, but installation of any trees or any concrete, masonry or ground cover (including rock, wood-chips, bark, etc.) must be approved by Management beforehand. Lessees must check with Lessor's Park Manager before digging or driving rods or stakes in the ground, as they might damage underground wiring, utility wire or plumbing. Lessee shall bear the cost of repairs to any utilities damaged by Lessee.

(B) Most Lessees will want to get their landscaping in as soon as possible, but for the benefit of those who want to put in their own, and have only a day or two a week to complete it, Lessor has set a time limit of ninety (90) days from the date of moving in the mobilehome. If for any valid reason the Lessee cannot complete the landscaping within said period, he/she must obtain a written extension from Lessor.

(C) All landscaping improvements shall at once become a part of the realty and belong to Lessor and shall remain upon and be surrendered with the Lot, provided that at Lessor's option, Lessee, at his expense when surrendering the Lot, shall remove all such landscaping planted by Lessee, and Lessee shall repair any damage to the premises caused by such removal.

11. PATIO FURNITURE: Lessor expressly prohibits the use of any furniture on the patio, porch or yard unless it is outdoor patio

furniture approved by Lessor's Park Manager. No overstuffed furniture, ironing boards, brooms, mops, etc., are allowed to be stored outside the mobilehome.

12. PETS:

(A) Pets, unless previously owned and written permission given by Lessor, are not permitted to be kept in the Park.

(B) If permitted, the type of pets and conditions are set forth in separate Pet Agreement which, if applicable, is attached and by reference made a part of this Agreement. Lessor reserves the right to deny the keeping or acquisition of a pet in the Park.

(C) Guests are prohibited from bringing pets into the Park.

13. PEACE AND QUIET:

(A) Lessees are entitled to the peaceful enjoyment of their Lot and all Park facilities. Radios, televisions, record players, musical instruments or any other noise that may cause annoyance to Lessees must, therefore, be kept reasonably low, especially after 10:00 P.M. No radio transmitters are allowed in the Park.

(B) Loud parties, intoxication, fighting, immoral conduct or children without the supervision of an adult, all of which might be cause for a complaint, are prohibited.

14. VEHICLE CONTROL:

(A) For the safety of the Park Lessees and their guests, Lessor has established and posted a speed limit in the Park, and all Lessees must cooperate in its enforcement.

(B) Lessees may park passenger vehicles only on the Lot driveway or other designated areas. Neither Lessees nor their visitors may park any vehicle on another Lessee's lot or vacant lot without the express permission of that Lessee or Lessor's Park

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Manager, whichever is applicable. Visitors may park in the designated guest parking areas, or in their host's driveway if space is available.

Trailers, boats and recreation vehicles not used for daily transportation must be parked only in the designated storage areas. All motorized vehicles must meet State law requirements in order to be operated in the Park. No unusable or unsightly vehicles will be allowed in the Park or storage areas.

(C) The operation of motorcycles, motor scooters, minibikes and other two and three wheel motorized vehicles must be approved in writing by Lessor.

15. ACCESSORY EQUIPMENT AND STRUCTURES: Approval of Lessor must be obtained before construction or installation of any mobilehome accessory. Building permits are required for certain accessories before installation. A list of the agencies requiring a permit can be obtained from Lessor's Park Manager.

16. GARBAGE AND TRASH DISPOSAL: All garbage must be wrapped and, with other refuse, must be placed in the proper containers provided therefor. Sanitary and health laws must be obeyed at all times.

17. LAUNDRY ROOM: Use of laundry facilities is conditioned upon the rules posted in the laundry room, as they are incorporated herein and made a part of this Rental Agreement. However, these posted regulations may be amended at the discretion of Lessor upon sixty (60) days notice.

18. INSPECTION: Lessee states that he/she has fully and completely examined the premises, the streets, laundry, recreational facilities and all other areas open to their use and found their condition as being safe and acceptable.

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19. SUBLETTING AND SALE OF MOBILEHOMES: Subletting or the sale of mobilehomes is expressly prohibited hereunder.

20. WRITTEN APPROVAL: References to approval, permission, or authorization of Lessor shall be construed as written approval prior to taking action.

21. COMPLAINTS: All Lessee complaints, except emergencies, must be presented to Lessor's Park Manager in writing during office hours.

22. WAIVER OF LIABILITY: Lessee, as a material part of the consideration under the Rental Agreement, hereby waives all claims against Lessor for damages to furniture, equipment, records, goods, wares or merchandise in, upon or about the Lessee's mobilehome, from any cause arising at any time, other than the negligence of Lessor's employees. Lessee does hereby agree to indemnify and hold Lessor harmless from and on account of any damage of injury to any person, or to the furniture, equipment, records, goods, wares or merchandise of any person, arising from the use of the Park by Lessee, or arising from the failure of Lessee to keep the mobilehome and the Lot in good condition, as herein provided, or arising from the negligence of Lessee, his family or guests. Lessor shall not be liable to Lessee for any damage by or from any act or negligence or any co-lessees or their guests, or by any owner or occupant of adjoining or contiguous mobilehomes. Lessee agrees to pay for all damage to the Park and Lot, as well as all damages to other Lessees, their guests and families thereof caused by the Lessees or his guest's negligence or misuse of the Park.

23. WAIVER OF DEFAULT: No waiver by Lessor of its right to enforce any provision hereof after any default on the part of

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Lessee, shall be deemed a waiver of Lessor's right to enforce each and all of the provisions hereof upon any further or other default on the part of Lessee. The acceptance of rent hereunder shall not be, or become construed to be, a waiver of any breach of any term, covenant or condition of the party's Rental Agreement or the Park's Rules and Regulations, nor shall it reinstate, continue or extend the term of the party's Rental Agreement or affect any notice, demand or suit thereunder.

24. CALIFORNIA CIVIL CODE REQUIREMENTS:

(A) California Civil Code Section 789.9 provides: "The Management of a mobilehome park shall provide tenants with the park rules and regulations and the language of Sections 789.5 to 789.11 inclusive in written form either included within the rules and regulations of the park or in the rental agreement."

(B) Pursuant to said Section, Lessor attaches hereto and incorporates by reference the wording of said sections.

25. CONSIDERATION FOR EXECUTION OF LEASE: The consideration of the Rental Agreement shall be the leasing of Space No. 17 and the payment of rent and charges for same, subject to the Rental Agreement terms. Lessor hereby acknowledges the receipt of \$ \_\_\_\_\_ from Lessee, which covers the period commencing JUNE 1, '86 and ending JUNE 30, '86.

26. UTILITIES AND OTHER CHARGES: Lessee shall pay for gas, electricity, water and such other utilities as may be provided. A storage charge of \$ N/A for N/A \_\_\_\_\_ in the Park.

27. TERMINATION: Lessee may terminate this tenancy by giving the other party sixty (60) days written notice thereof and rental shall be paid through that date, or if there be previously paid

but unused rent, the same shall be refunded when the premises are vacated. It is understood by the parties that the Lessor can only terminate this Rental Agreement pursuant to the rights granted it by law.

28. INDEMNIFICATION: Lessee covenants to indemnify and hold and save Lessor harmless Lessor, its officers, agents and employees from and against any and all liability, damages, costs, losses claims and expenses caused by or arising out of any injury or death of persons or damage to property, income upon or about the leased premises or caused by or arising out of any activities or omission of Lessee, his agents, employees, licensees and/or invitees, including without limitation, injury or death of Lessee, his agents, employees, licensees and invitees and damage to their property or Lessee's property; any concurrent negligence of willful misconduct of Lessor shall in no way diminish Lessee's obligations hereunder.

29. LESSOR'S RIGHT UPON LESSEE'S BREACH: Lessor may elect to terminate this Rental Agreement for any event of default or breach hereof or of the Park Rules and Regulations. Should Lessor elect to terminate it may recover from Lessee all damages incurred by Lessor by reason of such breach, including without limitation, the cost of recovering the premises, and the worth at the time of such termination of the excess, if any, of the amount of unpaid rent and unpaid charges reserved under this Rental Agreement over the amount of the rental loss which Lessee proves could be reasonably avoided, for the remainder of the term of this Rental Agreement. The remedies of Lessor specified herein are in addition to and cumulative of any remedies provided Lessor by statute, including the remedies provided in California Civil Code Sections 1951.2 et. seq.

E-6.13 (10)

30. RECEIPT OF PARK RULES AND REGULATIONS AND APPLICABLE LAW:

Lessee hereby acknowledges receipt of the Mobile Home Park Rules and Regulations adopted for the benefit and protection of all tenants, guests and visitors, California Civil Code Provisions and Lessee hereby agrees to abide by and conform with all laws of the State of California and each and all of the present rules and regulations, and all future rules and regulations hereafter adopted by Lessor and implemented in compliance with State law. Lessee also agrees that any breach by himself/herself, family, guests or visitors of the rules and regulations, or State law, shall be deemed a failure to perform an express term of this Rental Agreement, and Lessor may terminate this Rental Agreement for said breach as a default pursuant to the laws of the State of California then in effect.

31. ATTORNEYS' FEES: Should either Lessor or Lessee be required to employ counsel to enforce the terms, conditions and covenants of this Rental Agreement, the prevailing party shall recover all reasonable attorneys' fees incurred therein whether or not court proceedings were commenced.

32. TRANSFER OF LESSOR'S INTEREST: In the event Lessor transfers its reversionary interest in the Park, Lessor shall be automatically relieved of any obligations hereunder accruing after the date of such transfer, provided such obligations are assumed in writing by the transferee.

33. GOVERNING LAW: This Rental Agreement shall be governed by and construed pursuant to the laws of the State of California.

34. ENTIRETY: This Rental Agreement and the documents incorporated herein by paragraph 30 contain the entire agreement between the parties.

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35. EXECUTION AND ACKNOWLEDGMENT: Lessee acknowledges having read the Rental Agreement and agrees to be bound by all of the terms and conditions herein contained.

36. CAPTIONS: The titles of paragraphs herein are for identification only and are not to be considered to be a part of this Rental Agreement, nor to be restrictive in any manner of the provisions of any of the paragraphs of this Rental Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers the day, month and year first above written.

LESSEE:

LESSOR:

Helen Morton Smith  
name

CITY OF HUNTINGTON BEACH,  
A municipal corporation  
of the State of California

Robert C Morton  
name

Robert P. Mandin Jr.  
Mayor

Elma Fay Morton  
name

ATTEST:

APPROVED AS TO FORM:

Alicia M. Wentworth  
City Clerk  
6/20/86

Gail Lutton  
3-21-86 City Attorney

REVIEWED AND APPROVED:

INITIATED AND APPROVED:

Charles A. Thompson  
City Administrator

[Signature]  
Chief of Administrative  
Services

ACKNOWLEDGED:

Dawn Brennan  
Park Manager for Lessor

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PETITION REQUESTING "RIGHT TO SELL"

# ATTACHMENT #2

E-6.16

TO THE CITY OF HUNTINGTON BEACH:

I, Elma Fay Morton, residing at Space 17 at Ocean View Estates, 7051 Ellis Avenue, City of Huntington Beach, request to have the right to sell my mobilehome and will relinquish all rights to having a Life Estate at Ocean View Estates as described in the 1986 Lease Agreement between myself and the City of Huntington Beach.

I am willing to enter into a new rental agreement with the same provisions as the market rate agreement while maintaining my current rental amount. Therein, I will acknowledge that Ocean View Estates Mobilehome Park (Park), owned by the City of Huntington Beach, will close no later than March 31, 2019 ("Closure Date") and that, in said date, upon proper notice by Management to the Homeowner, the Park will convert to use as a public park. I understand that upon such closure, as homeowner, my respective heirs, personal representatives, executors, administrators, successors, and assigns, will not be entitled to any relocation benefits through a waiver of such benefits incorporated in the Rental Agreement, Section 24, with the City of Huntington Beach.

Signature: Elma Fay Morton Date: 12-19-05  
Elma Fay Morton

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